

**ARIZONA CORPORATION COMMISSION**  
**UTILITIES DIVISION**

**ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY**

W-01969A  
Hatch Valley Water Company  
P. O. Box 271  
Peach Springs AZ 86434

**RECEIVED**

APR 15 2004

AZ CORPORATION COMMISSION  
DIRECTOR OF UTILITIES

**ANNUAL REPORT**

**FOR YEAR ENDING**

<b>12</b>	<b>31</b>	<b>2003</b>
-----------	-----------	-------------

FOR COMMISSION USE

<b>Ann04</b>	<b>03</b>
--------------	-----------

## COMPANY INFORMATION

**Company Name (Business Name)** HATCH VALLEY WATER Co.

**Mailing Address** P.O. Box 271  
(Street)  
Peach Springs Az 86434  
(City) (State) (Zip)

928-769-2317  
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

**Email Address** \_\_\_\_\_

**Local Office Mailing Address** SAME AS ABOVE  
(Street)  
\_\_\_\_\_  
(City) (State) (Zip)

\_\_\_\_\_  
Local Office Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

**Email Address** \_\_\_\_\_

## MANAGEMENT INFORMATION

**Management Contact:** Richard L. Schneider President  
(Name) (Title)  
Hc 35 Box 211 PEACH SPRINGS Az 86434  
(Street) (City) (State) (Zip)

928-769-2317  
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

**Email Address** \_\_\_\_\_

**On Site Manager:** Richard L. Schneider  
(Name)  
Hc 35 Box 211 PEACH SPRINGS Az 86434  
(Street) (City) (State) (Zip)

928-769-2317  
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

**Email Address** \_\_\_\_\_

☒ Please mark this box if the above address(es) have changed or are updated since the last filing.

**Statutory Agent:** Richard L. Schneider  
 (Name)  
HC 35 Box 211 Peach Springs Az 86434  
 (Street) (City) (State) (Zip)  
928-769-2317  
 Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)  
**Attorney:** \_\_\_\_\_  
 (Name)  
 \_\_\_\_\_  
 (Street) (City) (State) (Zip)  
 \_\_\_\_\_  
 Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

☒ Please mark this box if the above address(es) have changed or are updated since the last filing.

### OWNERSHIP INFORMATION

Check the following box that applies to your company:

- ☐ Sole Proprietor (S) ☒ <sup>NON-PROFIT</sup> C Corporation (C) (Other than Association/Co-op)  
☐ Partnership (P) ☐ Subchapter S Corporation (Z)  
☐ Bankruptcy (B) ☐ Association/Co op (A)  
☐ Receivership (R) ☐ Limited Liability Company  
☐ Other (Describe) \_\_\_\_\_

### COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

- |                                     |                                   |  |
|-------------------------------------|-----------------------------------|--|
| <input type="checkbox"/> APACHE     | <input type="checkbox"/> COCHISE  | <input type="checkbox"/> COCONINO          |
| <input type="checkbox"/> GILA       | <input type="checkbox"/> GRAHAM   | <input type="checkbox"/> GREENLEE          |
| <input type="checkbox"/> LA PAZ     | <input type="checkbox"/> MARICOPA | <input checked="" type="checkbox"/> MOHAVE |
| <input type="checkbox"/> NAVAJO     | <input type="checkbox"/> PIMA     | <input type="checkbox"/> PINAL             |
| <input type="checkbox"/> SANTA CRUZ | <input type="checkbox"/> YAVAPAI  | <input type="checkbox"/> YUMA              |
| <input type="checkbox"/> STATEWIDE  |                                   |  |

COMPANY NAME

Hatch Valley Water Co.

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization			
302	Franchises			
303	Land and Land Rights	1200.00	—	1200.00
304	Structures and Improvements	7613.00	4533.59	3079.41
307	Wells and Springs	9174.27	9174.27	—
311	Pumping Equipment	16261.79	13921.50	2340.29
320	Water Treatment Equipment	—	—	—
330	Distribution Reservoirs and Standpipes	10,299.40	9616.77	682.63
331	Transmission and Distribution Mains	19,571.58	17464.16	2107.42
333	Services			
334	Meters and Meter Installations	4787.48	4787.48	—
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment	256.04	256.04	—
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment	424.01	424.01	—
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	<b>TOTALS</b>	69587.57	60177.82	9409.75

This amount goes on the Balance Sheet Acct. No. 108

COMPANY NAME Hatch Valley Water Co.

**CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR**

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization			
302	Franchises			
303	Land and Land Rights	1200.00	N/A	0
304	Structures and Improvements	7613.00	13.48%	1026.32
307	Wells and Springs	9174.27	100%	0
311	Pumping Equipment	16261.79	2.53%	411.42
320	Water Treatment Equipment	-	-	-
330	Distribution Reservoirs and Standpipes	10299.40	9.37%	965.05
331	Transmission and Distribution Mains	19571.58	3.93%	769.16
333	Services			
334	Meters and Meter Installations	4787.48	100%	0
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment	256.04	100%	0
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment	424.01	100%	0
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	<b>TOTALS</b>	69587.57		3171.95

This amount goes on Comparative Statement of Income and Expense \_\_\_\_\_  
Acct. No. 403.

COMPANY NAME HATCH VALLEY WATER Co.

**BALANCE SHEET**

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	<b>ASSETS</b>		
	<b>CURRENT AND ACCRUED ASSETS</b>		
131	Cash	\$ 15231.48	\$ 8207.63
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	2168.00	2289.44
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets	762.56	942.50
	<b>TOTAL CURRENT AND ACCRUED ASSETS</b>	\$	\$
	<b>FIXED ASSETS</b>		
101	Utility Plant in Service	\$ 69587.57	\$ 69587.57
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	( 57305.98)	( 60177.82)
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	<b>TOTAL FIXED ASSETS</b>	\$ 12281.59	\$ 9409.75
	<b>TOTAL ASSETS</b>	\$ 30,443.63	\$ 20772.32

**NOTE:** The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

COMPANY NAME Hatch Valley Water Co.**BALANCE SHEET (CONTINUED)**

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	<b>LIABILITIES</b>		
	<b>CURRENT LIABILITIES</b>		
231	Accounts Payable	\$	\$ 160.00
232	Notes Payable (Current Portion)	7135.74	1507.48
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits		
236	Accrued Taxes	99.94	109.75
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities	638.80	489.42
	<b>TOTAL CURRENT LIABILITIES</b>	\$ 7874.48	\$ 2266.65
	<b>LONG-TERM DEBT (Over 12 Months)</b>		
224	Long-Term Notes and Bonds	\$ 30417.57	\$ 28910.09
	<b>DEFERRED CREDITS</b>		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction		5701.63
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	<b>TOTAL DEFERRED CREDITS</b>	\$	\$ 5701.63
	<b>TOTAL LIABILITIES</b>	\$ 38292.05	\$ 36878.37
	<b>CAPITAL ACCOUNTS</b>		
201	Common Stock Issued	\$(36,680.00)	\$(36,680.00)
211	Paid in Capital in Excess of Par Value		4500.00
215	Retained Earnings	28831.58	24331.58
218	Proprietary Capital (Sole Props and Partnerships)		(8257.67)
	<b>TOTAL CAPITAL</b>	\$( 7,848.42)	\$(16106.09)
	<b>TOTAL LIABILITIES AND CAPITAL</b>	\$ 30443.63	\$ 20772.32

COMPANY NAME HATCH VALLEY WATER CO.

**COMPARATIVE STATEMENT OF INCOME AND EXPENSE**

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 23849.75	\$ 25029.94
460	Unmetered Water Revenue		
474	Other Water Revenues		
	<b>TOTAL REVENUES</b>	\$ 23849.75	\$ 25029.94
	<b>OPERATING EXPENSES</b>		
601	Salaries and Wages	\$	\$
610	Purchased Water		2520.00
615	Purchased Power	2580.51	3006.73
618	Chemicals		
620	Repairs and Maintenance	3410.96	5596.12
621	Office Supplies and Expense	901.18	449.94
630	Outside Services	6775.00	12569.15
635	Water Testing		824.00
641	Rents		
650	Transportation Expenses		253.75
657	Insurance - General Liability	1596.49	1753.66
659	Insurance - Health and Life		
666	Regulatory Commission Expense - Rate Case		
675	Miscellaneous Expense	927.32	236.25
403	Depreciation Expense	3171.77	2946.24
408	Taxes Other Than Income	431.40	774.95
408.11	Property Taxes	854.30	871.90
409	Income Tax		
	<b>TOTAL OPERATING EXPENSES</b>	\$ 20378.87	\$ 31802.69
	<b>OPERATING INCOME/(LOSS)</b>	\$ 3470.88	\$ (6772.75)
	<b>OTHER INCOME/(EXPENSE)</b>		
419	Interest and Dividend Income	\$ 57.86	\$ 20.97
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense	(1575.69)	(1505.89)
	<b>TOTAL OTHER INCOME/(EXPENSE)</b>	\$ (1517.83)	\$ (1484.92)
	<b>NET INCOME/(LOSS)</b>	\$ 1953.05	\$ (8257.67)



COMPANY NAME Hatch Valley Water Co.

**SUPPLEMENTAL FINANCIAL DATA**

**Long-Term Debt**

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	12/27/79	12/31/94		
Source of Loan		ATC LINE EXTENSION		
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$ 50,000.00	\$ 8468.32	\$	\$
Amount Outstanding	\$ 29,334.68	\$ 6522.75	\$	\$
Date of Maturity	12/31/2017	12/31/04		
Interest Rate	5%			
Current Year Interest	\$ 1505.89	\$ <del>4</del>	\$	\$
Current Year Principle	\$ 1434.22	\$ 284.29	\$	\$

Meter Deposit Balance at Test Year End \$ —

Meter Deposits Refunded During the Test Year \$ —

COMPANY NAME

Hatch Valley Water Co

**WATER COMPANY PLANT DESCRIPTION****WELLS**

ADWR ID Number*	Pump Horsepower	Pump Yield (Gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
C8014	1 - 7 1/2	60		12"		1963
	Submersible					

- Arizona Department of Water Resources Identification Number

**OTHER WATER SOURCES**

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
N/A		

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
3/4	3		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
20,000 gal	1	10,000 gal	1
		5,000 gal	1

COMPANY NAME Hatch Valley Water Co.

**WATER COMPANY PLANT DESCRIPTION (CONTINUED)**

**MAINS**

Size (in inches)	Material	Length (in feet)
2	Plastic	4680
3	Galvanized	6750
4	Plastic	4235
5	Plastic	3415
6		
8		
10		
12		

**CUSTOMER METERS**

Size (in inches)	Quantity
5/8 X 3/4	68
3/4	
1	
1 1/2	
2	
Comp. 3	
Turbo 3	
Comp. 4	
Tubo 4	
Comp. 6	
Tubo 6	

For the following three items, list the utility owned assets in each category.

TREATMENT EQUIPMENT:

N/A

STRUCTURES:

Railroad Tie Building

OTHER:

COMPANY NAME: Hatch Valley Water Co.

**WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2003**

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLON PUMPED (Thousands)
JANUARY	62	320 000	396
FEBRUARY	61	360 000	439
MARCH	62	263 000	342
APRIL	63	434 000	509
MAY	67	618 000	701
JUNE	69	751 000	838
JULY	69	891 000	860
AUGUST	71	593 000	673
SEPTEMBER	70	591 000	680
OCTOBER	68	563 000	658
NOVEMBER	68	354 000	428
DECEMBER	67	393 000	488
TOTAL		N/A	7312

Is the Water Utility located in an ADWR Active Management Area (AMA)?

( ) Yes

(X) No

Does the Company have An ADWR Gallons Per Capita Per Day (GPCPD) requirement?

( ) Yes

(X) No

If yes, provide the GPCPD amount: \_\_\_\_\_

What is the level of arsenic for each well on your system. 0.0084 mg/l  
(If more than one well, please list each separately)

*Note: If you are filing for more than one system, please provide separate data sheets for each system.*

COMPANY NAME \_\_\_\_\_ YEAR ENDING 12/31/2003

**PROPERTY TAXES**

Amount of actual property taxes paid during Calendar Year 2003 was: \$ 774.95

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. \_\_\_\_\_

COMPANY NAME \_\_\_\_\_ YEAR ENDING 12/31/2003

**INCOME TAXES**

For this reporting period, provide the following:

Federal Taxable Income Reported \_\_\_\_\_  
Estimated or Actual Federal Tax Liability \_\_\_\_\_

State Taxable Income Reported \_\_\_\_\_  
Estimated or Actual State Tax Liability \_\_\_\_\_

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances \_\_\_\_\_  
Amount of Gross-Up Tax Collected \_\_\_\_\_  
Total Grossed-Up Contributions/Advances \_\_\_\_\_

**RECEIVED**

APR 15 2004

WZ CORPORATION COMMISSIC  
DIRECTOR OF UTILITIES

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

**CERTIFICATION**

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

\_\_\_\_\_  
**SIGNATURE**

\_\_\_\_\_  
**DATE**

\_\_\_\_\_  
**PRINTED NAME**

\_\_\_\_\_  
**TITLE**

**VERIFICATION  
AND  
SWORN STATEMENT**  
Intrastate Revenues Only

**RECEIVED**

APR 15 2004

**VERIFICATION**

STATE OF AZ  
I, THE UNDERSIGNED  
OF THE

COUNTY OF (COUNTY NAME) <u>MOHAVE</u>	AZ CORPORATION COMMISSION
NAME (OWNER OR OFFICIAL) TITLE <u>Richard. Schneider (President)</u>	DIRECTOR OF UTILITIES
COMPANY NAME <u>HATCH VALLEY WATER CO.</u>	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2003

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2003 WAS:

Arizona IntraState Gross Operating Revenues Only (\$)

\$ 25,029.94

(THE AMOUNT IN BOX ABOVE  
INCLUDES \$ 1512.09  
IN SALES TAXES BILLED, OR COLLECTED

**\*\*REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 13th DAY OF



RONNIE L. MCPHERSON  
Public, State of Arizona  
MOHAVE COUNTY

MY COMMISSION EXPIRES July 27, 2004

Richard Schneider  
SIGNATURE OF OWNER OR OFFICIAL  
928-769-2317  
TELEPHONE NUMBER

COUNTY NAME <u>Mohave</u>	
MONTH <u>April</u>	2004
<u>Ronnie L. McPherson</u> SIGNATURE OF NOTARY PUBLIC	

VERIFICATION  
AND  
SWORN STATEMENT  
**RESIDENTIAL REVENUE**  
INTRASTATE REVENUES ONLY

**RECEIVED**

APR 15 2004

VERIFICATION

**ARIZONA CORPORATION COMMISSION**  
**DIRECTOR OF UTILITIES**

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

(COUNTY NAME) <u>Mohave</u>	
NAME (OWNER OR OFFICIAL) <u>Richard L. Schneider</u>	TITLE <u>President</u>
COMPANY NAME <u>Hatch Valley Water Co</u>	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2003

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2003 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ 22311.46

(THE AMOUNT IN BOX AT LEFT  
INCLUDES \$ 1363.06  
IN SALES TAXES BILLED, OR COLLECTED

**\*RESIDENTIAL REVENUE REPORTED ON THIS PAGE  
MUST INCLUDE SALES TAXES BILLED.**

  
SIGNATURE OF OWNER OR OFFICIAL

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

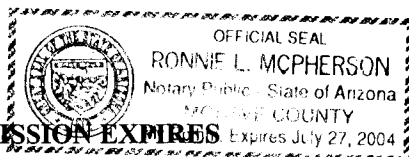
THIS

13th

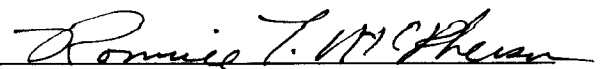
DAY OF

(SEAL)

MY COMMISSION EXPIRES



NOTARY PUBLIC NAME <u>Ronnie L. McPherson</u>	
COUNTY NAME <u>Mohave</u>	
MONTH <u>April</u>	20 <u>04</u>

X   
SIGNATURE OF NOTARY PUBLIC